

REMARKS/ARGUMENTS

The Examiner rejected claims 1-37 under 35 U.S.C. §112, 102(e) and 103(a). More specifically, the Examiner rejected claims 1-16, 20-24 and 34-37 under 35 U.S.C. §112; rejected claims 1-2, 11, 12-15, 17, 23, 25-34 and 36 under §102(e), as being anticipated by U.S. Patent No. 5,953,710 of Fleming ("Fleming"); rejected claims 10, 16, 35 and 37 under §103(a), as being unpatentable over Fleming; and rejected claims 3-9, 18-22 and 24 under §103(a), as being unpatentable over the combination of Fleming in view of U.S. Patent No. 4,725,719 of Oncken et al. ("Oncken").

A. *§112 Rejections*

The Examiner rejected claims 20-24, since claims 20-24 recite articles of manufacture, but depend from claim 17, which recites a method. Applicants have amended claims 20-24 to recite methods. The Examiner rejected claims 1-16 and 34-37 for not reciting elements. Applicant amended independent claims 1, 34 and 36 in accordance with the Examiner's comments so that the claims now recite systems for consumer control of card-based transactions, each positively reciting an interface element.

For these reasons, Applicant respectfully asserts that the §112 rejections have been overcome.

B. *§102 rejections*

The Examiner rejected claims 1-2, 11, 12-15, 17, 23, 25-34 and 36 under §102(e), as being anticipated by Fleming. For the reasons stated below, Fleming cannot anticipate nor render obvious any of the pending claims.

1. *System claims 1-2, 11, and 12-15*

Independent claims 1 and 11 have been amended to further clarify that the unique interface of Applicants' invention allows consumers to selectively control *individual transactions*. The ability to control individual transactions is not disclosed or suggested by Fleming. Claim 1 has also been amended to provide an interface that allows a consumer to

selectively *and dynamically* control transactions. Fleming does not provide such an interface. Furthermore, claim 11 provides an interface that allows a consumer to selectively direct individual transactions to different accounts. Fleming does not disclose or suggest such an interface. For the reasons stated below, Applicant asserts that all of the pending claims are allowable over Fleming.

The Examiner cites Fleming as relating to ways to give a third party control over the type or amount of goods and services purchased using a credit card (e.g., a parent controlling a card issued to a child). In Fleming, a parent is given control over a child's *credit card account* that is indivisibly linked with the parent account. This is essentially an ordinary, single credit card account with a combined credit limit. The account must be explicitly set up at a bank. Charges accumulate to the account and a bill is generated with the balance attributed to the child are noted. (Col. 7, lines 25-37). The Fleming system in all respects provides a ordinary, single credit card account, save for two special properties Fleming's invention gives to this account:

1. The child's parent(s) are allowed to set general limits that apply to the entire account (e.g., setting credit limits on the total amount that may be charged in a given period of time, enabling and disabling the card, and limiting the total number of expenditures).
2. The child's account is linked to the parent's for the purpose of establishing a combined credit limit for the two accounts.

Again, other than these properties, the account is an ordinary credit card account.

In contrast, the claimed inventions provide for the control, approval, switching and/or redirecting of *individual transactions*. Furthermore, by using an interface between the merchant's bank and consumer's bank(s), the claimed inventions do not require the setting up of an explicit, bank-maintained account for controlling transactions. Instead, approved transactions can be redirected to a one *or more* actual accounts maintained by the customer. This represents a fundamental difference between the claimed invention and Fleming.

The present invention permits setting up of what appears to be an ordinary account, but it in fact does not really exist. A pseudo-account allows individual transactions to be handled by the interface.

Today, credit card transactions are almost always explicitly and individually authorized. Although a private network is involved, the mechanism for doing this is very similar to the way email is sent via the Internet. When a customer presents his/her credit card to a merchant, the merchant's card reader contacts the bank handling his credit-card transactions (similar to an email user's ISP). The bank's computer in turn sends a request for the approval into a world-wide transaction approval system (similar to the Internet). This network directs the approval request to computers at the card's issuing bank (similar to the email recipient's ISP). The bank's computers check the parameters of the transaction (under credit limit, card not stolen, etc.) and approve or deny the transaction.

In the present invention, individual transactions can be approved, switched and/or redirected (this would be, in the above analogy, equivalent to an email forwarding service) by the consumer. The consumer may present a card having a pseudo-account numbers. These account numbers appear in all respects to be ordinary account numbers. They may, however, be issued by the party controlling the transaction switching mechanism, which may or may not be a financial institution. When authorization is sought for a transaction, the normal credit card transaction authorization network may direct the request to the pseudo-account issuing body (e.g., through the interface). The interface may perform various functions, as set forth in claims 1 and 11:

1. Claim 1 provides an interface that allows consumers to *selectively and dynamically restrict approval of individual transactions*. By allowing consumers to restrict approval of individual transactions, the transaction may be compared to:
 - a. Limits set by the customer on the transaction. These limits comprise a plurality of parameters such as size of transaction, a "credit limit" for the pseudo-account, name of merchant, type of goods or services sought, number of times card has been used during selected periods of time, etc.
 - b. Limits on the plurality of actual accounts that the transaction will be directed to. This latter comparison could be used to insure that pseudo-account transactions directed back at a real account would not cause the real account's credit limit(s) to be exceeded.

2. Claim 11 provides an interface that allows consumers to selectively direct individual transactions to a plurality of different bank accounts. When an actual transaction itself is transmitted from the merchant's bank, the transaction may be redirected - according to rules set up by the customer - to one of a plurality of different real accounts owned by the customer. The customer may be afforded the opportunity to set complex rules governing how individual transactions are switched to different accounts, a possibility simply not afforded by Fleming, in which all transactions are effectively kept under a single account with a single combined credit limit. Moreover, these rules can be *selectively modified*. Four simple examples of complex, dynamic transaction switching that can be provided by the interface are the following:

- a. Sending individual transactions to a real account that issues airline frequent-flyer miles up to the maximum amount allowed (most of these accounts set a limit on the maximum number of miles that can be issued per year), and then sending further transactions to another account (say, a card issuing miles on another, less-desirable airline).
- b. Sending individual transactions to the real account having the lowest interest rate up to its credit limit, then direct them to another, higher-interest account.
- c. Splitting a very large transaction that exceeds the limit of any of the customer's accounts into multiple transactions to a number of the customer's accounts.
- d. Sending individual transactions to different specific accounts based on the type of the transaction. For example, some airline mileage accounts offer bonus miles for transacting business with a specific merchant or merchants. Transactions with these merchants might be directed to such an account while other transactions might be directed to another account more favored by the customer for everyday transactions.

Another important capability afforded by the invention of claim 1 that is distinct from the prior art is *dynamic*, "human-in-the-loop" control of transactions, as set forth in claim 1. The interface of claim 1, which provides for *selective and dynamic* restriction of approval, allows for the possibility (and, more important, the capability) to set a condition that a

“customer must personally approve” individual transactions. For example, this capability may allow a customer, who is connected to both the issuing body and a merchant (say, an online merchant), to:

1. Receive a pseudo-account number from the issuing body,
2. Set a condition on it requiring personal approval,
3. Give the account number to the merchant for a particular transactions,
4. Have the merchant request approval of the transaction,
5. When the request for approval arrives at the issuing body, have a request for personal approval directed to the customer’s interface, and
6. Examine the full details of the transaction and then personally approve the transaction, with said approval then sent back to the merchant.

This capability of claim 1 would, for example, provide the ultimate in security against theft or misuse of an account number.

In summary, Fleming fails to disclose or suggest the novel limitations recited in independent claim 1 (e.g., an interface that allows a consumer to selectively and dynamically restrict approval of individual transactions) and claim 11 (e.g., an interface that allows a consumer to selectively direct individual transactions to a plurality of different accounts). For at least these reasons, claims 1 and 11 and all claims depending from claims 1 and 11 (i.e., claims 2 and 12-15) are patentable over Fleming.

3. *Method claims 17, 23, and 25-33*

Claim 17 recites a method for conducting card-based transactions. Like claim 1, amended claim 17 allows a consumer to “dynamically restrict approval of individual transactions” using an interface. As set forth above, Fleming does not disclose or suggest the use of an interface that allows a consumer to dynamically restrict approval of individual

transactions. For at least these reasons, claim 17 and claims 23 and 25-28, which depend from claim 17, are also allowable over Fleming.

Claim 29 recites a method for conducting card-based transactions. Like claim 11, amended claim 29 allows a consumer to "selectively direct transactions to a plurality of different accounts" using an interface. As set forth above, Fleming does not disclose or suggest the use of an interface that allows a consumer to selectively direct transactions to a plurality of different accounts. For at least these reasons, claim 29 (and claims 30-33, which depend from claim 29) are also allowable over Fleming.

4. *System claims 34 and 36*

Claims 34 and 36 recite systems for consumer control of card-based transactions. Like claim 1, claims 34 and 36 provide an interface that allows for *dynamic, human-in-the-loop control of transactions*. That is, the interface of claims 34 and 36 are accessible to a consumer to allow the consumer to *selectively and dynamically* restrict approval of individual transactions. This allows for the possibility (and, more important, the capability) to set a condition that a "customer must personally approve" individual transactions. Fleming does not disclose or suggest the ability for a consumer to dynamically restrict and control individual transactions. For at least these reasons, claims 34 and 36 cannot be anticipated by Fleming.

C. *§103 rejections*

1. *Claims 10, 35 & 37*

Claims 10, 35 and 37 were rejected under §103(a), as being unpatentable over Fleming. Claims 10, 35 and 37 depend from claims 1, 34 and 36, respectively. For a reference to render a claim obvious, it must teach or suggest *all* claim limitations. As discussed above with respect to claim 1, 34 and 36, Fleming does not provide any disclosure or suggestion regarding an interface that allows a consumer to selectively and dynamically restrict approval of individual transactions. For at least these reasons, claims 10, 35 and 37 cannot be rendered obvious by Fleming.

2. *Claim 16*

Claim 16 was likewise rejected under §103(a), as being unpatentable over Fleming. Claim 16 depends from claim 11. As discussed above with respect to claim 11, Fleming does not provide any disclosure or suggestion regarding an interface that allows a consumer to selectively direct individual transactions to a plurality of different bank accounts. For at least these reasons, claim 16 cannot be rendered obvious by Fleming.

3. *Claims 3-9, 18-22 and 24*

Claims 3-9, 18-22 and 24 were rejected under §103(a), as being unpatentable over Fleming in view of Oncken. Claims 3-9 depend from claim 1 and claims 18-22 and 24 depend from claim 17. The Examiner relies on Oncken solely for its disclosure of different types of criteria for restricting transaction cards. For a proposed combination to render a claim obvious, it must teach or suggest *all* claim limitations. Oncken does not provide any disclosure or suggestion regarding the claimed interface that allows a consumer to *dynamically and selectively* restrict approval of individual transactions. While Oncken's invention allows for some very simple setting of limits on the goods and services purchased, and Fleming allows control over the total amount of purchases, neither provides a transaction-based system that allows users to *dynamically and selectively* direct and approve individual transactions. For example, with the claimed invention, a parent might be permitted to review and approve every transaction before it is completed. A parent might also set a very tight credit limit on purchases made with a child's account, but allow for a much higher limit for specific goods and services or at a particular merchant (e.g., a college bookstore). Under Oncken's invention, limits on goods and services are set through the issuing bank. Under the present invention, the customer has much more direct, intimate, and immediate control through the interface. Specifically, as set forth in claims 1 and 17, the consumer has selective and *dynamic* control over each transaction by use of the interface. Thus, in the example above, the customer could temporarily modify the goods, services, merchant, or credit limit on her child's account in response to an immediate problem (e.g., the need for expensive automobile repairs).

Neither Fleming nor Oncken discloses or suggests the unique interface recited in claims 1 and 17. Thus for at least the reasons set forth above, the proposed combination cannot render obvious claims 3-9, 18-22 or 24, which depend from claims 1 and 17.

CONCLUSIONS

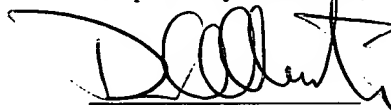
In summary, the claimed inventions, which allow a consumer to dynamically and selectively control individual transactions and different accounts, are substantially different than the prior art, which allows only general and static control over a single account. Applicants' invention is both novel and nonobvious over the prior art for the reasons set forth above. None of the prior art of record, either alone or in combination, teaches each and every element of Applicants' claimed inventions.

For all of these reasons, Applicants respectfully assert that all of claims 1-37 are in condition for allowance. The Examiner's early reconsideration is respectfully requested. If the Examiner has any questions, the Examiner is invited to contact Applicants' attorney at the following address or telephone number:

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